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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

NFAC #7458-81
18 November 1981MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA : National Intelligence Officer for Warning

FROM : [REDACTED] 25X1
Assistant National Intelligence Officer for USSR-EESUBJECT : Monthly Warning Assessment: USSR-EE [REDACTED] 25X1
(Meeting held on 17 November 1981)Poland

1. Although Walesa and Jaruzelski are taking a moderate approach toward the Solidarity-Government negotiations, they must both guard against pressure from radical elements in their respective organizations. Popular discontent over consumer shortages could spark outbreaks of violence in which case the government would probably institute at least some martial law measures requiring the use of carefully selected military units. For their part, the Soviets seem willing to let Jaruzelski attempt to bring the situation under control. The big questions are how long Jaruzelski's mandate will last and what kind of power-sharing arrangements the Soviets will be willing to tolerate. The Soviets do not seem to have many viable means of pressure left but, if they became convinced that the situation was getting out of hand, they could resort to a desperation strategy such as an abrupt decrease in trade. The immediate prospect is for continued Solidarity-Government negotiations. [REDACTED] 25X1

Yugoslavia

2. The 8,000 regular Yugoslav troops in Kosovo have managed to contain but not eliminate the violence which broke out in March 1981. The prospects are for continued latent unrest since the central government is unwilling to grant the population's political demand for autonomy and is unable to divert enough economic resources to the province to undercut political demands. Possible flash points for the future are the 28th of November when both Albania and Yugoslavia celebrate their national days, the March anniversary of the outbreak of this year's demonstrations, and the Party Congress scheduled for sometime in the spring of 1982. That

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Congress will be contentious as the Party must deal with economic problems and regional rivalries, which are being exacerbated by the Kosovo question. Despite Albania's public backing of the Albanians in Kosovo, there is no evidence so far that it is providing anything more than moral support. The Soviet Union and Bulgaria have both repeated their standard line about the need for greater autonomy in Kosovo but their customary declarations have been viewed with alarm by an increasingly sensitive Yugoslav leadership. []

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Romania

3. Ceaucescu's policy of forced industrialization carried out at the expense of agriculture and necessitating greater energy expenditures has produced a general economic decline. The resultant food shortages have produced outbreaks of unrest, all of which have been localized and eventually contained. Ceaucescu has responded by stop-gap measures but has not been willing to change his basic policy. The short-term outlook is for more of the same -- worsening shortages and increasing but still manageable disturbances. The long-term outlook is even bleaker since the economic problems will get worse as long as the government refuses to make the needed structural economic changes. []

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